

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2007

	October-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY07	Ended	Ended
				Net ROR				Net ROR	Net ROR	Net ROR	6/30/2007	6/30/2007
											Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	1,450,613	2.7%	2.7%	2.14%	1,419,935	2.7%	2.7%	0.41%	2.57%	21.75%	13.79%	N/A
Total Structured Growth	1,450,613	2.7%	2.7%	2.14%	1,419,935	2.7%	2.7%	0.41%	2.57%	21.75%	13.79%	11.59%
Russell 1000 Growth				3.40%				4.21%	7.75%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	1,602,828	3.0%	3.0%	-0.15%	1,604,731	3.1%	3.0%	-1.05%	-1.20%	23.29%	19.11%	16.46%
Russell 1000 Value				0.01%				-0.24%	-0.23%	21.87%	15.93%	13.31%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	1,526,073	2.9%	2.8%	2.38%	1,490,247	2.9%	2.8%	0.07%	2.45%	20.43%	13.31%	11.77%
Russell 1000				1.74%				1.98%	3.76%	20.43%	12.34%	11.33%
<i>Enhanced S&P 500 Index</i>												
Northern Trust	1,369,080	2.6%	2.6%	0.78%	1,358,256	2.6%	2.6%	0.34%	1.12%	19.26%	11.40%	10.53%
Westridge	1,810,085	3.4%	2.6%	1.67%	1,771,982	3.4%	2.6%	2.18%	3.69%	21.05%	12.00%	11.00%
Wells Capital	1,204,522	2.3%	2.0%	0.48%	1,196,797	2.3%	2.0%	4.26%	4.78%	30.71%	N/A	N/A
Franklin	1,019,070	1.9%	2.0%	1.29%	1,005,473	1.9%	2.0%	-0.71%	0.57%	N/A	N/A	N/A
Total Enhanced S&P 500 Index	5,402,756	8.2%	9.2%	1.11%	5,332,509	8.3%	9.2%	1.60%	2.73%	21.56%	11.94%	11.24%
S&P 500				1.59%				2.03%	3.65%	20.59%	11.68%	10.71%
<i>Absolute Return Strategy</i>												
Epoch	289,384	0.5%	0.9%	2.45%	282,181	0.5%	0.9%	0.06%	2.51%	N/A	N/A	N/A
S&P 500				1.59%				2.03%	3.65%			
<i>S&P 500 Index</i>												
State Street	694,331	1.3%	1.4%	-0.09%	694,549	1.3%	1.4%	-0.79%	-0.89%	21.86%	12.41%	11.15%
S&P 500				1.59%				2.03%	3.65%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	10,965,985	20.6%	20.0%	1.19%	10,824,152	20.8%	20.0%	0.70%	1.90%	21.66%	13.61%	12.15%
S&P 500				1.59%				2.03%	3.65%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	4,295,926	8.1%	8.6%	2.41%	4,194,144	8.1%	8.6%	-4.25%	-1.94%	17.13%	13.31%	14.32%
Russell 2000 + 200bp				3.04%				-2.60%	0.36%	18.76%	15.72%	16.16%
Callan	1,901,392	3.6%	3.4%	2.74%	1,851,282	3.6%	3.4%	-1.14%	1.57%	21.00%	N/A	N/A
Russell 2000				2.87%				-3.09%	-0.31%	16.44%		
TOTAL SMALL CAP DOMESTIC EQUITY	6,197,317	11.7%	12.0%	2.51%	6,045,426	11.6%	12.0%	-3.32%	-0.89%	17.89%	13.50%	14.44%
Russell 2000				2.87%				-3.09%	-0.31%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	596,303	1.1%	1.1%	3.31%	576,839	1.1%	1.1%	1.42%	4.78%	27.82%	20.73%	15.09%
MSCI EAFE (1)				3.93%				2.18%	6.19%	27.00%	20.77%	14.70%
<i>Large Cap - Active</i>												
Capital Guardian	1,808,765	3.4%	3.3%	4.02%	1,735,586	3.3%	3.3%	-0.21%	3.81%	26.04%	21.52%	14.83%
LSV	1,728,547	3.2%	3.3%	3.06%	1,677,166	3.2%	3.3%	-3.20%	-0.24%	29.94%	N/A	N/A
Bank of Ireland	576,017	1.1%	1.1%	4.29%	552,329	1.1%	1.1%	-4.43%	-0.32%	25.29%	19.70%	13.72%
Total Large Cap - Active	4,113,328	7.7%	7.7%	3.65%	3,965,081	7.6%	7.7%	-2.09%	1.49%	27.58%	22.64%	15.45%
MSCI EAFE - 50% Hedged				3.25%				0.11%	3.36%	26.94%	22.55%	15.71%
<i>Small Cap - Active</i>												
Lazard	563,928	1.1%	1.1%	5.34%	535,271	1.0%	1.1%	-3.54%	1.61%	24.18%	22.99%	21.28%
Wellington	600,428	1.1%	1.1%	5.03%	571,147	1.1%	1.1%	-0.96%	4.01%	26.62%	20.49%	21.40%
Total Small Cap - Active	1,164,356	2.2%	2.2%	5.18%	1,106,418	2.1%	2.2%	-2.23%	2.84%	25.39%	21.75%	21.34%
Citigroup Broad Market Index < \$2BN				4.70%				-0.66%	4.01%	28.60%	26.33%	25.39%
TOTAL INTERNATIONAL EQUITY	5,873,987	11.0%	11.0%	3.92%	5,648,339	10.8%	11.0%	-1.77%	2.07%	27.21%	22.14%	16.66%
MSCI EAFE - 50% Hedged				3.25%				0.11%	3.36%	26.94%	22.55%	15.71%
EMERGING MARKETS EQUITY												
<i>Core</i>												
JP Morgan	214,050	0.4%	0.3%	9.71%	222,954	0.4%	0.3%	11.70%	22.54%	46.07%	N/A	N/A
PanAgora	216,069	0.4%	0.3%	10.97%	222,885	0.4%	0.3%	15.67%	28.37%	46.34%	N/A	N/A
WestLB	217,446	0.4%	0.3%	12.69%	221,702	0.4%	0.3%	14.72%	29.28%	42.11%	N/A	N/A
UBS	379,851	0.7%	0.6%	13.11%	389,321	0.7%	0.6%	14.81%	29.86%	42.04%	N/A	N/A
Total Core	1,027,416	1.9%	1.6%	11.85%	1,056,862	2.0%	1.6%	14.30%	27.85%	43.90%	37.74%	29.07%
MSCI Emerging Markets				11.16%				14.52%	27.30%	45.45%	38.67%	21.67%
<i>Small Cap</i>												
DFA	214,785	0.4%	0.4%	7.44%	234,160	0.4%	0.4%	7.20%	15.17%	68.14%	N/A	N/A
MSCI Emerging Markets				11.16%				14.52%	27.30%	45.45%		
<i>Private Equity</i>												
Capital International	13,512	0.0%	0.0%	0.00%	8,846	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets												
TOTAL EMERGING MARKETS EQUITY	1,255,713	2.4%	2.0%	10.98%	1,299,868	2.5%	2.0%	12.73%	25.10%	48.23%	38.70%	29.61%
MSCI Emerging Markets				11.16%				14.52%	27.30%	45.45%	38.67%	30.66%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	1,453,626	2.7%	2.5%	0.55%	1,683,574	3.2%	3.2%	2.08%	2.64%	7.00%	4.29%	5.59%
Lehman Aggregate				0.90%				2.84%	3.77%	6.12%	3.98%	4.48%
<i>Index</i>												
Bank of ND	3,061,005	5.8%	7.3%	0.85%	3,028,357	5.8%	7.3%	3.15%	4.03%	5.69%	3.78%	4.49%
Total Index	3,061,005	5.8%	7.3%	0.85%	3,028,357	5.8%	7.3%	3.15%	4.03%	5.69%	3.92%	4.50%
Lehman Gov/Credit				0.91%				3.01%	3.94%	6.00%	3.84%	4.69%
<i>Convertibles</i>												
Calamos (2)	1,540,102	2.9%	2.5%	2.95%	1,790,289	3.4%	3.2%	3.50%	6.55%	N/A	N/A	N/A
Total Convertibles	1,540,102	2.9%	2.5%	2.95%	1,790,289	3.4%	3.2%	3.50%	6.55%	12.55%	5.57%	3.31%
Merrill Lynch All Convertibles (3)				1.92%				1.01%	2.95%	15.38%	8.30%	10.89%
<i>BBB Average Quality</i>												
Wells Capital	1,449,019	2.7%	2.5%	1.14%	1,670,661	3.2%	3.2%	1.91%	3.08%	9.12%	5.96%	6.71%
Lehman BBB				1.46%				1.67%	3.15%	7.54%	4.47%	6.43%

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	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Fiscal YTD Net ROR	FY07 Net ROR	Ended 6/30/2007 Net	Ended 6/30/2007 Net
Private Debt												
Prudential	1,626,932	3.1%	2.5%	0.83%	1,609,890	3.1%	3.2%	1.88%	2.72%	7.16%	N/A	N/A
Lehman Aggregate				0.90%				2.84%	3.77%	6.12%		
Timberland												
TIR - Teredo (4)	1,503,118	2.8%	2.8%	-0.06%	1,305,261	2.5%	2.5%	-0.17%	-0.23%	26.95%	12.73%	12.23%
TIR - Springbank	2,751,601	5.2%	5.2%	-0.02%	2,762,989	5.3%	5.3%	-0.07%	-0.10%	26.90%	N/A	N/A
Total Timberland	4,254,719	8.0%	8.0%	-0.03%	4,068,250	7.8%	7.8%	-0.11%	-0.14%	27.33%	26.21%	20.09%
NCREIF Timberland Index				0.76%				2.31%	3.09%	11.89%	15.17%	11.37%
Infrastructure												
JP Morgan	1,939,305	3.6%	3.6%	-0.07%	683,804	1.3%	1.3%	-0.41%	-0.48%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	15,324,707	28.8%	29.0%	0.82%	14,534,825	27.9%	29.0%	1.69%	2.52%	12.52%	11.43%	10.17%
Lehman Aggregate				0.90%				2.84%	3.77%	6.12%	3.98%	4.48%
HIGH YIELD BONDS												
Core												
Loomis Sayles	1,486,486	2.8%	2.8%	0.92%	1,471,178	2.8%	2.8%	0.37%	1.29%	13.37%	11.25%	N/A
Sutter/Wells Capital	1,408,830	2.6%	2.8%	1.31%	1,373,463	2.6%	2.8%	-3.19%	-1.92%	9.82%	8.02%	N/A
Total Core	2,895,316	5.4%	5.6%	1.11%	2,844,641	5.5%	5.7%	-1.39%	-0.29%	11.59%	9.63%	5.67%
LB High Yield 2% Issuer Constrained Index				0.67%				0.40%	1.08%	11.22%	8.70%	N/A
Mezzanine Debt												
Goldman Sachs	65,854	0.1%	0.1%	-0.14%	65,854	0.1%	0.1%	-1.07%	-1.21%	7.39%	N/A	N/A
TCW	124,322	0.2%	0.2%	0.00%	101,021	0.2%	0.2%	-2.96%	-2.96%	N/A	N/A	N/A
Total Mezzanine Debt	190,176	0.4%	0.4%	-0.06%	166,875	0.3%	0.3%	-2.33%	-2.38%	7.39%	N/A	N/A
LB High Yield 2% Issuer Constrained Index				0.67%					1.08%	11.22%		
Distressed Mortgages												
PIMCO	38,556	0.1%	0.1%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Declaration Management	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Distressed Mortgages	38,556	0.1%	0.1%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				0.67%								
TOTAL HIGH YIELD BONDS	3,124,048	5.9%	6.0%	1.05%	3,011,517	5.8%	6.0%	-1.35%	-0.32%	11.62%	9.64%	11.24%
LB High Yield 2% Issuer Constrained Index				0.67%				0.40%	1.08%	11.22%	8.77%	11.75%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	2,278,731	4.3%	4.8%	1.48%	2,244,939	4.3%	4.8%	7.48%	9.08%	0.21%	2.69%	6.66%
Citigroup Non-US Gov't Bond Index (5)				1.83%				8.10%	10.08%	2.22%	3.23%	6.89%
International Core												
Brandywine	2,396,661	4.5%	4.8%	3.00%	2,327,924	4.5%	4.8%	5.77%	8.94%	6.63%	7.38%	N/A
Lehman Global Aggregate (ex-US)				2.07%				7.35%	9.57%	3.78%	5.22%	N/A
TOTAL INTERNATIONAL FIXED INCOME	4,675,391	8.8%	9.5%	2.25%	4,572,863	8.8%	9.5%	6.60%	9.01%	3.41%	5.03%	8.23%
Citigroup Non-US Gov't Bond Index (5)				1.83%				8.10%	10.08%	2.22%	3.27%	6.92%
REAL ESTATE												
INVESCO	2,250,340			0.00%	2,272,982			3.09%	3.09%	14.44%	N/A	N/A
J.P. Morgan Strategic & Special Funds	2,339,501			0.60%	2,353,965			4.18%	4.80%	19.72%	20.09%	15.71%
J.P. Morgan Alternative Property Fund	542,093			0.77%	537,964			0.00%	0.77%	6.70%	N/A	N/A
TOTAL REAL ESTATE	5,131,933	9.6%	9.5%	0.35%	5,164,911	9.9%	9.5%	3.25%	3.62%	15.47%	20.09%	15.71%
NCREIF TOTAL INDEX				1.17%				3.56%	4.77%	17.24%	17.83%	14.30%
ALTERNATIVE INVESTMENTS												
Coral Partners V	10,322			0.00%	11,052			-1.25%	-1.25%	-1.78%	-4.71%	-14.30%
Coral Partners V - Supplemental	1,421			0.00%	1,580			-0.33%	-0.33%	8.49%	3.75%	0.86%
Coral Momentum Fund (Formerly Fund VI)	28,480			0.00%	31,270			43.80%	43.80%	-16.26%	-8.10%	N/A
Brinson 1998 Partnership Fund	2,600			0.00%	2,738			6.31%	6.31%	31.02%	22.24%	11.25%
Brinson 1999 Partnership Fund	5,260			0.00%	7,107			8.83%	8.83%	19.95%	14.43%	7.53%
Brinson 2000 Partnership Fund	19,163			0.00%	20,182			12.46%	12.46%	13.52%	18.72%	9.86%
Brinson 2001 Partnership Fund	15,225			0.00%	16,035			7.25%	7.25%	15.81%	13.02%	7.67%
Brinson 2002 Partnership Fund	8,603			0.00%	9,060			7.77%	7.77%	11.10%	12.11%	11.95%
Brinson 2003 Partnership Fund	2,693			0.00%	2,836			-2.14%	-2.14%	34.38%	19.70%	N/A
Total Brinson Partnership Funds	53,544			0.00%	57,959			8.74%	8.74%	16.34%	16.34%	10.08%
Brinson 1999 Non-US Partnership Fund	2,576			0.00%	2,713			-15.34%	-15.34%	111.26%	57.67%	39.95%
Brinson 2000 Non-US Partnership Fund	6,784			0.00%	7,144			9.22%	9.22%	55.10%	34.26%	25.05%
Brinson 2001 Non-US Partnership Fund	4,482			0.00%	5,616			8.40%	8.40%	7.81%	14.42%	11.71%
Brinson 2002 Non-US Partnership Fund	9,923			0.00%	11,252			9.52%	9.52%	88.98%	43.24%	29.72%
Brinson 2003 Non-US Partnership Fund	8,552			0.00%	9,007			5.76%	5.76%	76.59%	33.38%	N/A
Brinson 2004 Non-US Partnership Fund	3,584			0.00%	3,775			7.85%	7.85%	23.98%	15.75%	N/A
Total Brinson Non-US Partnership Fund	35,900			0.00%	39,507			6.06%	6.06%	62.33%	35.69%	25.84%
Brinson BVCF IV	28,863			0.00%	28,302			9.99%	9.99%	-3.23%	10.47%	6.87%
Adams Street Direct Co-Investment Fund	15,496			0.00%	15,458			-0.11%	-0.11%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	6,906			0.00%	7,273			-60.15%	-60.15%	10.95%	25.72%	N/A
Matlin Patterson Global Opportunities II	54,056			0.00%	52,018			0.61%	0.61%	37.09%	N/A	N/A
Matlin Patterson Global Opportunities III	5,816			0.00%	6,126			-15.88%	-15.88%	N/A	N/A	N/A
InvestAmerica	11,450			0.00%	12,059			18.49%	18.49%	13.96%	-2.58%	-5.68%
Hearthstone MSII	468			0.00%	0			0.00%	0.00%	-95.85%	-100.00%	-100.00%
Hearthstone MSIII	5,514			0.00%	5,741			18.89%	18.89%	208.65%	79.05%	N/A
Corsair III	14,635			0.00%	5,952			14.87%	14.87%	N/A	N/A	N/A
Quantum Resources	5,627			0.00%	5,926			-8.56%	-8.56%	N/A	N/A	N/A
Quantum Energy Partners	2,861			0.00%	3,013			-17.70%	-17.70%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	281,159	0.5%	1.0%	0.00%	283,836	0.5%	1.0%	3.37%	3.37%	16.97%	15.16%	7.27%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	360,473	0.7%	0.0%	0.42%	702,344	1.3%	0.0%	0.68%	1.10%	5.25%	3.91%	3.00%
90 Day T-Bill				0.30%				1.34%	1.64%	5.21%	3.78%	2.76%
TOTAL FUND	53,190,714	100.0%	100.0%	1.76%	52,088,081	100.0%	100.0%	1.08%	2.87%	17.02%	13.27%	12.12%
POLICY TARGET BENCHMARK				1.72%				2.01%	3.77%	13.28%	9.19%	9.04%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

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Allocation		Month		Allocation		Quarter					
Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	Net	Net

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.